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THE SAME TIME, HE EXPRESSED HIS STRONG BELIEF IN THE STRATEGIC IMPORTANCE OF THE BILATERAL RELATIONSHIP AND THE DESIRABILITY OF KEEPING UP CONTACTS, ESPECIALLY PEOPLE-TO-PEOPLE CONTACTS. HE URGED THAT THE CHINESE PERMIT EXCHANGES LIKE THE FULBRIGHT PROGRAM AND THE PEACE CORPS TO GO FORWARD.

3. OUR CHINESE GUESTS POINTED OUT THAT MANY UNIVERSITIES AND OTHER ORGANIZATIONS IN THE U.S. HAVE, ON THEIR INITIATIVE, ALSO SUSPENDED EXCHANGE ACTIVITIES. THEY SAW SENATOR RUDMAN'S TRIP AS A VERY POSITIVE SIGNAL IN THAT IT REOPENED A DIALOGUE AND HELPED EACH SIDE MAKE ITS POSITION CLEAR.

4. THE TWO-HOUR EXCHANGE OF VIEWS, WHICH WAS LIVELY AND GOOD-NATURED, PROVIDED A FASCINATING GLIMPSE FOR OUR CHINESE GUESTS INTO THE WORKINGS OF THE U.S. CONGRESS, THE ROLE OF LOBBYISTS, AND THE MAKING OF FOREIGN POLICY BY AN INSIDE PLAYER. SENATOR RUDMAN HAD JUST THE RIGHT APPROACH TO MAKE HIS POINTS FIRMLY WITHOUT OFFENDING. QUITE THE OPPOSITE: THE CHINESE RELISHED THE CONVERSATION AS MUCH AS THE SENATOR DID.

5. THIS LUNCHEON WAS A REAL SHOT IN THE ARM FOR P&C SHANGHAI. IT EXPOSED A KEY AUDIENCE OF OURS TO AN ARTICULATE EXPONENT OF THE CONGRESSIONAL PERSPECTIVE ON U.S.-CHINA RELATIONS. ONE PARTICIPANT, WHO HAD MET SENATOR RUDMAN IN WASHINGTON TWO YEARS AGO, PRIVATELY TOLD BPAO AFTER LUNCH THAT HE WAS "THRILLED" BY THIS CHANCE TO SIT DOWN AND BREAK BREAD TOGETHER. WE HOPE THIS COMMENT IS A SIGN OF FAIR WINDS AND SUBSTANTIVE CONTACTS AHEAD.

6. SENATOR RUDMAN HAS CLEARED THIS CABLE.
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